



Carrianna Group Holdings Company Limited
佳寧娜集團控股有限公司

(Incorporated in Bermuda with limited liability)

Environmental, Social and Governance Report **2024**

Stock Code : 00126

CARRIANNA GROUP HOLDINGS COMPANY LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2024

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ABOUT CARRIANNA

Carrianna Group Holdings Company Limited (the “Company”, together with our subsidiaries referred to as the “Group”) was established in 1967 and was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 November 1991. Founded by Honorary Chairman Dr. Ma Kai Cheung and Chairman Dr. Ma Kai Yum, the business scope and geographic coverage of the Group have been gradually expanded throughout the years. Currently, the Group has developed into an enterprise engaged in real estate investment and development, food production, catering, and hotel operations.

Property Investment and Development

The Group has commenced to engage in real estate development business in Shenzhen since the early 1990s and has established a history of approximately 30 years on a solid foundation. The Carrianna Friendship Square, completed in 1998, is among others a famous landmark in the central business district of Lowu. The construction of the 13 storeys commercial building at the vibrant central district of the Guangzhou South Railway Station in Panyu, Guangzhou, was completed in October 2020. The Group also owns 50% interest in Dongguan Home Town, a property project comprising shopping mall and furniture and building material centre.

In Hong Kong, the Group owns 50% interest in each of the two re-development projects at 223-225A Haitan Street and 300-306 Castle Peak Road, Sham Shui Po, respectively, with buildable gross floor areas of 42,500 sq. ft. and 42,400 sq. ft., respectively. The Haitan Street commercial/residential building comprises 115 residential units and 2 floors of commercial shops. 98 residential units have been sold to date.

Hotel, Restaurant and Food Business

Food and restaurant business is another core business of the Group. We currently operate a number of restaurant and bakery brands in Hong Kong and five cities in the Mainland China, including the traditional Chaozhou cuisine restaurant Carrianna and Shunde cuisine restaurant Shun Yi, and bakery chain stores Empery Bakery, Pak Lok Bakery, and V28 Bakery.

We operate three food production factories in Hainan, Kunming, and Shenzhen respectively, in which the food production facility in Hainan has a site area of 29,968 sq.m. and a total area floor area of 58,114 sq.m. With this new Hainan food production facility, the production capacity of Carrianna’s renowned mooncakes will increase significantly. Besides the Carrianna mooncakes, the bread production line has commenced its operation. To diversify the food business, the facility also produces packaged Hainan-style food, and Chinese-style dry meat products. Also, we currently operate two hotels in the mainland, namely Foshan Carrianna Hotel and Yiyang Carrianna International Hotel.

ABOUT THIS REPORT

The Report is the eighth Environmental, Social and Governance Report (“ESG Report”) issued by the Group which aims to report to stakeholders the sustainability performance of the past year. All the information in this ESG Report is sourced from the Group’s official documents or statistical reports. The board of directors (the “Board”) has reviewed and approved this ESG Report.

Reporting Period and Scope

The ESG Report covers the sustainability performance of the Group for the year ended 31 March 2024 (the “Reporting Period”). The reporting scope covers the Group (i) Restaurant, food, and hotel, and (ii) Property investment and development businesses in the People’s Republic of China (“PRC”) and Hong Kong. Our overall approach, strategy, priorities, and objectives of ESG management remained largely the same as those of previous year. As identified by our materiality assessment and supported by the reporting principle of balance, the ESG Report mainly sets forth the aforesaid businesses.

For the information about the corporate governance structure of the Group and other related information, please refer to the Corporate Governance Report on page 15 to 27 of the annual report of the Company published on 25 July 2024.

Reporting Principles

The ESG Report has been published in accordance with the ESG Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and the “comply or explain” provisions contained therein. The contents of the ESG Report were prepared based on the Reporting Principles of materiality, quantitative, balance and consistency. Underpinned by the quantitative and consistency principles, the ESG Report presents the key performance indicators (“KPI”) with comparative data in order to provide a measurable and comparable evaluation and validation of our ESG management initiatives.

Reporting principles	Interpretation
Materiality	Identify important environmental and social issues by analyzing the opinions of stakeholders of the Group, and prioritize and disclose important issues in the Report.
Quantitative	Environmental and social key performance indicators data is collected to monitor and evaluate our progress in implementing environmental and social responsibility initiatives.
Consistency	The Group uses consistent methodologies to allow for meaningful comparisons of ESG data over time. Any changes in the methodologies and reporting scope are explained in remarks for stakeholders’ reference.

Stakeholders’ Feedback

In addition to reporting our achievements in this ESG Report, we welcome all stakeholders’ feedback on our environmental, social and governance policies and performance. Please share your valuable views with us through the followings:

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Telephone: (852) 2426 1021
Email: info@carrianna.com

GOVERNANCE STRUCTURE

The Group recognizes the importance of fulfilling environmental and social responsibility as to achieve sustainable development. Therefore, the Group has established a mechanism of ESG management, to formulate standardised ESG management strategies.

The Board has total responsibility for the ESG management strategies and reporting. While the Board has a role on ESG issue reviewing and decision making on ESG management strategies, meantime, the Board would oversee internal control reviewing system and risk management which cover ESG related issues on an ongoing basis and ensure the review of its effectiveness is annually conducted.

In the future, the Group will continuously reinforce the ESG supervision responsibilities of the Board, including analysing the importance of ESG risk and opportunities to the Group's business strategies and reviewing ESG related performance to ensure the relevant measures achieving the targets.

STAKEHOLDERS' ENGAGEMENT

The Group understands that it relies on the trust and participation of stakeholders along the way, so we always hope to fully understand their views and expectations. We establish a variety of communication channels to gather stakeholders' views and communicate with them effectively. Our stakeholder groups include but are not limited to employees, investors, customers, and suppliers.

The main communication channels of the Group with stakeholders are detailed as follows:

Stakeholder category	Communication channels
Employee	<ul style="list-style-type: none"> • Intranet and email • Internal meetings • Training programs • Interviews
Investors	<ul style="list-style-type: none"> • Financial statements • General meetings • Announcements and circulars • Company website • Stock Exchange website
Customers	<ul style="list-style-type: none"> • Company website • Daily operations • Email and customer service hotlines
Suppliers	<ul style="list-style-type: none"> • Business meetings • Supplier audit
Government and regulatory departments	<ul style="list-style-type: none"> • Periodic reporting • Operational meetings
Community	<ul style="list-style-type: none"> • Charity and public welfare service • Volunteer service • Company website

MISSION AND VISION OF THE GROUP

The Group constantly works to improve the way we run business. While we strive to achieve better results financially and maximise returns for our shareholders, we are also committed to the idea of “making change for good”. We aim to improve how we support our people and community, preserve our planet, and increase the quality of our products and services for our customers.

Our long-standing success stems from our dedication to operating ethically, caring and socially and environmentally responsible manner. It is our responsibility as good corporate citizens to always act with integrity and respect. We seek to connect with both internal and external stakeholders and integrate their needs into our operations for the betterment of society.

While we strive for better returns for shareholders, we always uphold the philosophy of “Giving back to the Community” and use the sustainable development approach to put the persistent effort in aspects of product safety, supply chain management, environmental protection and energy conservation, staff growth, and community affairs understand the concerns of stakeholders and try our best to balance their interests.

Quality. We believe that a remarkable and reputable branding is crucial to the sustainable development of an enterprise. The prolonged widespread trust of Carrianna’s brand is attributable to our meticulous efforts and sheer persistence on products and services qualities.

Integrity. The Company has several decades of development history, continuously maintaining solid relationships with our customers, suppliers, and other business partners, mainly because of our persistence in integrity.

Green Operations. Given society’s increasing awareness of environmental protection, we never ignore the possible impact of the operation processes on the environment. Through continuously improving our energy saving and environmental protection policies, raising environmental protection awareness of our staff, and recycling and reusing the wastes generated from our business operation under practicable circumstances, we reduce the negative impact of our operations on the environment.

People-oriented. The growth of an enterprise relies on support from its staff. We advocate an equal and harmonious working environment, constantly improving the personnel training and promotion system to provide the employees with comprehensive learning opportunities and more room for development. We also highly emphasise the employees’ safety and health in the workplace.

Devotion. As a responsible corporation, we encourage our staff to participate actively in community events, organise volunteer activities and undertake charity works, carry out practical actions to help the vulnerable groups to fulfil corporate social responsibility, and bring positive momentum to the community.

MESSAGE FROM THE BOARD

In the past year, the occurrence of different international events has unavoidable impact on the world, including the Russo-Ukrainian War and high interest rates, etc. While the uncertain economic environment leading our operation into a challenging condition, the need to develop sheer resilience in the food and beverage sectors has been emphasized through these challenges. It is our responsibility to safeguarding the health of our customers and employees. Therefore, we strive to cooperate with the government's infection control measures and the latest regulations to ensure our restaurants and hotels strictly follow all regulations imposed by the government.

In terms of property development, the Group will continue with its two re-development projects in Hong Kong. In terms of the restaurant business, the Group has maintained steady expansion strategies in the Greater Bay Area. Management remains positive and cautious about the prospects of the Group's business in the coming year.

We will continue to review and improve the ESG strategies this year. We would keep our awareness to identify any changes in the Environmental, Social and Governance Reporting Guide, re-examine the ESG Report to improve for further enhancement on sustainability governance and ongoing internal and external stakeholders communication from time to time.

We would like to express our sincere gratitude to our stakeholders for their unyielding support and trust in accompanying us for this very challenging year. In the future, we commit to living up to our stakeholders' expectations to achieve outstanding performance.

ENVIRONMENTAL ASPECT

The environmental aspect is a core value that the Group upholds its commitment to sustainability. Fulfilling this mission requires much effort in areas including conserving natural resources and reducing carbon emissions as we grow our business. We maintain an environmental management system designed to raise and monitor our environmental standards, minimise our environmental footprint and assist us to improve the compliance level in environment.

During the Reporting Period, the Group had no incident of non-compliance with environmental protection laws and regulations that significantly impacted the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The Group also confirmed no penalty was imposed by relevant government authorities arising from non-compliance with the aforesaid laws and regulations during our operation in the Reporting Period.

Emissions

The Group complies with the relevant regulations promulgated by the government that are applicable to the Group, including the Air Pollution Control Ordinance (空氣污染管制條例), Water Pollution Control Ordinance (水污染管制條例), Waste Disposal Ordinance (廢物處置條例), the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of the People's Republic of China on Prevention and Control of Pollution From Noise (中華人民共和國噪聲污染防治法), Law of the People's Republic of China on Appraising of Environmental Impacts (中華人民共和國環境影響評價法), Environmental Protection Tax Law of the People's Republic of China (中華人民共和國環境保護稅法), Regulations on the Administration of Construction Projects Environmental Protection (建設項目環境保護管理條例), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法) and Decision of the State Council on Several Issues Concerning Environmental Protection (國務院關於環境保護若干問題的決定). During the Reporting Period, we were not aware of any non-compliance with laws and regulations relating to environmental aspects that significantly impacted the Group.

Air Pollution – Greenhouse Gas

In the course of daily operations, apart from the greenhouse gases emissions generated from the combustion sources in transportation, our largest emission source is cooking stoves. The indirect emissions of the Group's greenhouse gases mainly come from the purchased electricity and fuel consumption of offices and vehicles. The Group considers that such greenhouse gas emission level is normal.

We are dedicated to reducing our carbon emissions by keeping a record of consumption levels for each business, closely monitoring emissions levels, and ensuring the proper functioning of all machinery and equipment to prevent excessive emission of exhaust gas caused by related mechanical malfunctions.

For the Group's real estate projects, we will only engage construction contractors with good environmental protection and safety records, which are required to strictly abide by all current environmental protection and safety regulations, such as the use of construction materials and methods.

Hazardous and Non-hazardous Waste Treatment

Handling processes for all waste generated from production and daily operations of the Group are in strict compliance with internal guidelines. Recycling and reusing waste are encouraged under feasible circumstances.

Food waste and construction materials are the major types of waste for our restaurant and property operations. Food waste is collected and handled by local executive agencies. The construction materials applied in property projects include but not limited to steel, bricks, and concrete. Some of these materials can be recycled and reused in site levelling, sub-base layers, and marsh infilling. All construction waste will be stockpiled together and disposed by municipal administrative department during the construction process.

Summary of emissions data:

For the year ended 31 March 2024		
Type of emission	Unit	Quantity
Total greenhouse gas emissions	kg of carbon dioxide equivalent	9,006,454
– Scope 1 – Direct emissions – Combustion of fuels in stationary and mobile sources	kg of carbon dioxide equivalent	2,202,255
– Scope 2 – Energy indirect emissions – Consumption of purchased electricity	kg of carbon dioxide equivalent	6,804,199
Intensity of greenhouse gases	kg of carbon dioxide equivalent/revenue (HK\$)	0.01
Exhaust gas		
– Nitrogen oxide (NOx)	gram	1,685,262
– Sulphur oxide (SOx)	gram	1,650
– Particulate matter (PM)	gram	87,795
Total non-hazardous waste	tonnes	397
– Food waste	tonnes	397
Total non-hazardous waste intensity	tonnes/revenue (HK\$ million)	0.60

For the year ended 31 March 2023		
Type of emission	Unit	Quantity
Total greenhouse gas emissions	kg of carbon dioxide equivalent	10,338,026
– Scope 1 – Direct emissions – Combustion of fuels in stationary and mobile sources	kg of carbon dioxide equivalent	1,881,551
– Scope 2 – Energy indirect emissions – Consumption of purchased electricity	kg of carbon dioxide equivalent	8,456,475
Intensity of greenhouse gases	kg of carbon dioxide equivalent/revenue (HK\$)	0.02
Exhaust gas		
– Nitrogen oxide (NOx)	gram	1,651,034
– Sulphur oxide (SOx)	gram	400
– Particulate matter (PM)	gram	80,149
Total non-hazardous waste	tonnes	269
– Food waste	tonnes	269
Total non-hazardous waste intensity	tonnes/revenue (HK\$ million)	0.39

Use of Resources

In addressing the global environmental issues, such as climate change and depletion of natural resources, the Group has stepped up its efforts to ensure efficient use of resources. Following the Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法), and other applicable laws, regulations, and industry standards for energy use, consumption levels for each of our business units are under strict supervision.

During the Reporting Period, the Group's resource consumption was within a reasonable level. Resources consumed in the offices are mainly from document photocopying and printing. The Group promotes a "Paperless office" by promoting email and document digitalization among employees. Meanwhile, we implement paper-saving measures to encourage our employees to formulate green habits in daily operation. For instance, we are adapting double-sided printing and photocopying, recycling, and reusing wastepaper with the aim of controlling the paper and toner consumption to reduce waste.

Summary of resource consumption data:

Type of resource consumption	Unit	For the year ended 31 March 2024	For the year ended 31 March 2023
Total energy consumption	kWh	19,031,679	22,136,161
– Electricity	kWh	13,223,725	16,496,920
– Gasoline – vehicle	kWh	918,068	877,211
– Gas	kWh	4,889,886	4,762,030
Energy intensity	kWh/revenue (HK\$)	0.03	0.05
Total water consumption	m ³	293,394	448,895
Intensity of water consumption	tonnes/revenue (HK\$ million)	443	656
Paper	kg	3,072	7,420
Total packaging material	tonnes	210	704
– Plastic	tonnes	40	45
– Metal box	tonnes	120	390
– Corrugated box	tonnes	50	270
Packaging material consumption intensity	tonnes/revenue (HK\$ million)	0.34	1.03

Environment and Natural Resources

Raising Environmental Awareness

We are taking a holistic approach in environmental management. In addition to the energy saving and emission reduction measures, we believe in enhancing environmental awareness and strengthening the governance, including daily operations and business decision-making by the Board. We actively promote environmental protection awareness among the employees. Internal codes are reviewed and internal environmental protection guidelines, and reminders are issued from time to time. Information related to environmental protection such as green office has been shared by the Group.

Attaching Importance to Biodiversity and Deforestation

Biodiversity can increase ecosystem productivity, and all kinds of species, no matter how small, play an essential role in the ecosystem. Therefore, we value the conservation of biodiversity and strive to achieve our food ingredients sustainable. We intend to enhance our food sourcing sustainability commitments by undertaking comprehensive studies in areas such as not to use HPCIA in the chicken, purchase sustainable beef and seafood labelled with MSC (Marine Stewardship Council), ground and whole bean coffee sourcing through Rainforest Alliance and other relevant certification schemes.

We understand that forest conservation contributes to mitigating climate change and protecting biodiversity. Sustainable food pronouncement also is a key to cease excessive logging. We hope to achieve complete traceability across the entire commodities supply chain through continuous improvement eventually. Other measures include fiber-based packaging, recycled wood, and other materials, increasing production and resource efficiency, reducing landfill waste and waste recycling, support for landscape restoration.

Combating Climate Change

As a responsible company, we recognise that climate change has become a severe threat to the planet and potentially creates a significant impact on our communities and operations. Therefore, we continue to consolidate our efforts to combat climate change and mitigate global warming.

Regarding the physical risks of the business, adverse weather events have frequently occurred in recent years to paralysing transportation and road systems, causing a shortage of water or other resources. This will result in suspension or hindrance of business operation. While countries around the world continue to act on climate change, we are convinced that corporates are exposed to changes in regulations, technologies requirements and market responses in the future, such as new greenhouse gas emission limits and stricter laws to hold companies accountable for the environmental degradation and requirement on adapting renewable energy. These factors may bring additional operating costs and extensive changes in operating structure.

Given that the risks mentioned above, we proactively address climate change at different levels. In respect of frontline operation, we have formulated a set of work arrangements to reduce the impact of bad weather conditions (such as typhoon and black rain) to our business and safeguard our employees. Regarding environmental policy, we review our environmental policies and identify related threat from time to time to reinforce internal governance and improve with greener measures. Close communication with our suppliers is maintained and we work together to develop contingency plans in case of supply chain disruption or other issues. We also keep a watchful eye on any changes in relevant regulations that significantly impact our operations and environmental policies, while acquiring new knowledge and technology that are instrumental to our environmental initiatives.

The Group is currently mapping out its plan on reducing its carbon footprint by pursuing best operational practices and enhancing supply chain management. Our plan to minimise our environmental impact covers water stewardship, waste management, and energy and carbon reduction.

SOCIAL ASPECT

Employment and Labour Practices

Employment

Summary of employment data:

	Unit	As at 31 March 2024	As at 31 March 2023
Total number of staff	Person	1,490	1,629
By gender			
Male	Person/Percentage	727/49	844/52
Female	Person/Percentage	763/51	785/48
By employee type			
Full-time	Person/Percentage	1,192/80	1,381/85
Temporary/Part-time	Person/Percentage	298/20	248/15
By age group			
Below 30	Person/Percentage	330/22	380/23
30-39	Person/Percentage	276/19	349/22
40-49	Person/Percentage	362/24	414/25
50-59	Person/Percentage	367/25	366/23
60 or above	Person/Percentage	155/10	120/7
By region			
Mainland China	Person/Percentage	1,010/68	1,078/66
Hong Kong	Person/Percentage	480/32	551/34

Employment, Remuneration and Benefit Policies

We employ approximately 1,490 (2023: 1,629) employees in Hong Kong and beyond. They are the key to our business competitiveness. We are committed to providing them with a working environment where they can find respect and satisfaction. We give our staff opportunities to learn, grow and succeed at work, and this concept incorporates into our human resources policy.

The Group complies with the Hong Kong Employment Ordinance (僱傭條例), Minimum Wage Ordinance (最低工資條例), Employees' Compensation Ordinance (僱員補償條例), Mandatory Provident Fund Scheme Ordinance (強制性公積金計劃條例), Labour Law of the People's Republic of China (中華人民共和國勞動法), Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法) and other relevant labour laws and regulations, as well as industry standards. From recruitment, probation, promotion, reward, and disciplinary actions, welfare and benefits are all conducted fairly and justly. All staff, upon joining, are given a set of Employee Handbook, which sets out the company policies on employee benefits and code of conduct and provides clear guidelines for their work ethics and morality norms.

We strictly follow the national social protection policy and regularly pay for social insurance, pension, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance, and housing provident fund for our staff. Meanwhile, the Group has formulated a comprehensive Employee Benefits Scheme in accordance with the Labour Law of the People's Republic of China and other relevant regulations and the industry where our operations are carried out. Such scheme outlines the policies for paid annual leave, paid marital leave, sick leave, maternity leave, leave of absence, and other holidays. Each employee is entitled to statutory holidays stipulated by the national law.

We offer competitive remunerations, strive to improve our fair remuneration incentive scheme, and link up remuneration and promotion with the competence and performance of our staff. Each department rewards outstanding staff performance with the "Excellent Staff" title and provides reasonable promotion opportunities and bonuses according to their business contributions, research, and inventions.

We are devoted to giving our staff a comfortable working and living environment and continuously improving employee benefits. Staff can enjoy work meals, meal subsidies, subsidies based on length of service, and holiday gifts. A dormitory is arranged for hotel staff who have living difficulties.

Equal Opportunity and Diversity Policy

We value talents, consider employees as our most valuable and core asset. We always adhere to uphold the concept of fairness, impartiality, and openness in employment, recruit promising talents to provide talent reserves for our Group's restaurant, hotel, and property businesses, to enhance the competitiveness of business development.

We comply with the Discrimination Ordinances (歧視條例), the Law on the Protection of Women's Rights and Interests (婦女權益保障法), the Employment Promotion Law (就業促進法) and other applicable laws and regulations. We prohibit discrimination of nationality, age, gender, religion, disability, marital status, or any other form. We adopt calibre, performance, and other qualities as recruitment, promotion, and salary increment criteria. We ensure our employees can thrive in a working environment where we champion diversity and inclusion.

We encourage internal staff self-recommendation or recruitment of promising talents from the society. By a fair and merit-based standardised recruitment principle, promising talents suitable for the job positions are selected. Therefore, we have gathered a group of experienced experts in marketing, engineering, logistics, and property development, thereby providing continuous impetus for long-term corporate growth.

Dismissal Policy

The Group complies with the guidance under relevant employment law. If staff employment termination is required, we will follow the standard procedures to handle and make reasonable compensation to the dismissed employees. The applicable provisions on termination of the employment are set out in the employment contracts of every staff.

During the Reporting Period, the turnover of the Company was as follows:

	Unit	As at 31 March 2024	As at 31 March 2023
Total number of staff	Person	831	785
By gender			
Male	Person/Percentage	384/46	371/47
Female	Person/Percentage	449/54	414/53
By age group			
Below 30	Person/Percentage	265/32	235/30
30-39	Person/Percentage	167/20	204/26
40-49	Person/Percentage	149/18	149/19
50-59	Person/Percentage	160/19	141/18
60 or above	Person/Percentage	90/11	56/7
By region			
Mainland China	Person/Percentage	420/51	383/49
Hong Kong	Person/Percentage	411/49	402/51

Health and Safety

The Group has always been mindful of occupational health and safety, which are integral parts of a broader environment and workforce sustainability strategy. Through various initiatives, including implementing company-wide safety standards, we are committed to reducing the risk of harm to our people and helping them remain safe, healthy, engaged, and productive.

The Group strictly complies with Construction Law of the People's Republic of China (中華人民共和國建築法), the Regulations on the Work Safety Management of Construction Projects (建設工程安全生產管理條例), Regulation on Work Safety Licenses (安全生產許可證條例), the Occupational Safety and Health Ordinance (職業安全及健康條例) and other relevant laws and regulations. We have strengthened health and safety control, and the employee safety protection system provided a safety handbook for different business operations, covering preventive measures and crisis response procedures.

During the Reporting Period, we had 10 (2023: 17) industrial accidents in which all of them were minor work injuries. The total lost workday due to employee injuries was 380. We did not violate any relevant employment, health and safety laws and regulations.

In past 3 years, we were not aware of any work-related fatalities or material non-compliance issues.

Regarding work-related injuries, the Group complies with relevant laws and regulations and records and reports after accidents to avoid recurrence of such work-related injuries in the future. Injured employees will have sick leave and insurance protection. At the same time, we will send condolences to the injured employees and arrange for the personnel department to follow up on the employees' rehabilitation progress. In addition, we will regularly review work-related injury insurance arrangements and collect opinions from employees on the effectiveness of current safety measures.

We equip our staff with safety and protective gear, including safety helmets, safety belts, insulated safety shoes, protective goggles, and particulate respirators. We provide targeted training of special equipment to help staff understand the correct usage of protective gear. All labour protective gears comply with the Safety Helmet (安全帽) (GB2811), Safety Belt (安全帶) (GB6095), Modular Technical Requirements for Protective Footwear (防護鞋通用技術條件) (GB 12623-90), and other relevant national standards required for labour protection equipment.

Meanwhile, even with a solid health and safety record, there is always room for improvement in occupational safety. We believe improving and prioritising our education efforts are essential to lowering our lost-time injury and illness rates. Therefore, the Group regularly conducts fire safety training to raise employees' awareness of fire protection and operating procedures; and keeps a detailed record of the training's staff training hours and content. The Group regularly and periodically checks, repairs, tests, and maintains fire prevention facilities. Especially on important holidays, such as Chinese New Year, New Year's Day, Labour Day, and National Day are chosen for targeted publicity, including evacuation signs and emergency lighting are in place; exits are clear; passages for fire trucks are not blocked, junk items are not piled up and firefighting equipment and alarms are fully functional.

For inflammable and explosive items, we have established a stringent inflammable and explosive items control system. It ensures that they are stored in facilities with comprehensive fire safety equipment, placed visible labels and signs, stored them separately in fixed amounts, and carried out regular checks and maintenance of fire safety measures in storage facilities.



The Group conducts regular training, inspection, testing and maintenance of fire prevention measures



Fire drills to enhance the safety awareness of employees

Different forms of safety and fire drills, as well as fire drills, enhance employees' safety awareness and enable them to respond immediately in the event of an emergency to ensure the safety of employees themselves and guests.

Development and Training

Our business success is based on the knowledge and commitment of our employees to a large extent. As an employer, we provide our employees with attractive conditions and wide- ranging individual development opportunities. We are devoted to building a competent workforce and developing future management talents and leaders.

Professional training, conveying corporate values, and creating open dialogue are crucial to our training methodologies and programs. We aim at fostering employees' career growth by helping our employees acquire job-related skills and leadership qualities. Our training programs include pre-employment training, English training, job-transfer training, and management training.

The new staff is given orientation training and on-the-job training to help them familiarise themselves with our protocols and systems and understand the needs for their respective positions and business operations. On-the-job staff can accommodate their needs at different career stages through cross-department training or specialised training. We also provide mid- level to senior management and key staff with management training or overseas study opportunities and continuous learning courses, intending to enhance the competitiveness of our management and progress with time.

In addition, we encourage continuous education and the establishment of a learning room in our office. Our employees can access content that is suitable for their development needs. If the job requires, it is allowed to apply for purchasing relevant professional reference books.



Provide induction training and on-the-job training

During the Reporting Period, the total time of the training arranged and funded by the Group and participated by our staff amounted to 18,243 (2023: 12,296) hours.

We promote a harmonious and friendly working environment, encourage all supervisors to maintain close communication with their staff, and treat each other earnestly, thereby improving the working atmosphere. This can be seen from the regular and periodic birthday parties and staff functions for different festivals and special days organised by the Human Resources Department of our various business units.



Annual dinner



Birthday lunch

We have set up an Internal Communication and Complaint mechanism which conducts an anonymous survey for staff satisfaction and investigates serious issues and concerns of staff. By these, we hope to understand the career development goals of our team so that we can develop more effective training and development programs, as well as appropriate offer promotion or job rotation opportunities.

The Group encourages the Directors and senior management to participate in the training on the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and corporate governance to continuously improve the internal control and corporate governance level of the Company. We also encourage accounting and company secretarial staff to conduct periodic updates on relevant professional knowledge.

Summary of training data:

	Unit	For the year ended 31 March 2024	For the year ended 31 March 2023
Percentage of staff trained			
By gender			
Male	Percentage	51	60
Female	Percentage	49	40
By employee category			
General staff	Percentage	61	85
Executives	Percentage	39	15
Average training hour			
By gender			
Male	Hour	13	14
Female	Hour	12	9
By employee category			
General staff	Hour	9	15
Executives	Hour	13	15

Labour Standards

The Group strictly complies with the Employment Ordinance (僱傭條例) (Chapter 57 of the Laws of Hong Kong) and the Regulation on Labour Security Supervision (勞動保障監察條例) issued by the State Council of the PRC and other relevant laws and regulations to stamp out child labour and forced labour. We do not tolerate any form of forced labour, including coerced, bonded, indentured, or child labour, nor do we allow any form of slavery and human trafficking. We adopt a strict and meticulous recruitment process as our Human Resources Department requires candidates to provide valid identity documents for verification.

The Group will conduct investigations, punish, or dismiss the related staff immediately when any violation behaviour is discovered. The Group will further improve the labour system against violation behaviours as and when appropriate.

During the Reporting Period, there was no child labour and forced labour in the Group.

Operating Practices

Supply Chain Management

The Group has been well-known for its quality of service and product delivery, which relies on our effective supply chain management. We procure only from reliable suppliers and business partners with good reputations and high ethical and professional standards. We review potential and existing suppliers, including performing background research, assessing potential and underlying risks in service or product delivery, environmental protection, and legal compliance. During the Reporting Period, most of our suppliers were based in mainland China and Hong Kong, while the distribution was 212 and 59 respectively.

As part of our responsible and sustainable procurement, we carefully source our materials and food ingredients without critically endangering the biodiversity and ecology, such as seafood, organic vegetables, paper, tea, coffee, and meat. Meantime, we encourage our supplier candidates to purchase more eco-friendly products, and we would consider this action as a plus, when we differentiate our supplier candidates.

Procurement Policy

We have built up a well-developed and comprehensive procurement and auction mechanism based on production capability, product quality, supply stability of the suppliers to execute a strict assessment and control practice. The instrument also carries out quality sample-check and makes tracking records for product quality to maintain a high-quality supply chain management.

Code of Conduct

Our suppliers are required to work in a responsible manner and comply with all laws, international treaties, and contractual responsibilities. We insist that our suppliers must implement an employment policy that is fair, humane, and non-discriminatory to their employees, and we work together to achieve a better balance in protecting our environment. They are also required to obligate the Group's code of conduct. We maintain close communications with suppliers and convey our standards of law compliance, labour, workplace safety and health, and environmental protection.

We have reviewed and managed our suppliers by all above policies.

Product Responsibility

Product Quality

Product safety and quality are our essential core. We believe that maintaining product safety and quality is indispensable for building strong brands and reputation, which is a significant factor for the successful operation of the Group. We have formulated the Food Safety System to regulate the food storage, workplace environment, and equipment cleanliness, thus guaranteeing food safety. We ensure that we comply with the Food Safety Ordinance (食品安全條例), Public Health & Municipal Services Ordinance (公眾衛生及市政條例), Food Safety Law of the People's Republic of China (中華人民共和國食品安全法).

The Group ensures that products meet the quality requirements based on a quality inspection mechanism. All employees are required to follow internal guidelines and handbooks to execute each procedure. We could recall our products immediately since we have established a set of procedures for product recall, if the products needed to be recalled.

During the Reporting Period, the Group was not aware of any product recall due to safety and health reasons.



2023 ESG+ Pledge Scheme



Shenzhen Time-Honored Brand



The 18th Shenzhen Top Ten Gold Medal Mooncakes



Most Influential Food & Beverage Brand

Two of our flagship restaurants, “Carrianna Chiu Chow Cuisine” and Shun Yi Shunde Cuisine”, have always been highly acclaimed in Hong Kong and domestically for their high quality, high standards and excellent service, and have won many honors.


Ganlan China – The Best Cantonese Cuisine Restaurant/
Chaozhou Cuisine Restaurant



In addition to good management and service, high food quality and great taste are absolutely essential for the Group's restaurants to obtain numerous awards:



The 18th Shenzhen Top Ten Gold Medal Mooncakes – Best Quality & Texture Award



Shenzhen Diamond Poon Choi

During the Reporting Period, we received no complaints or claims from our customers related to the quality issues of the Group's products.

Protection of Intellectual Property

The Group builds up and protects its intellectual property rights and has registered various brands and trademarks in Hong Kong and China. Meanwhile, we also respect the intellectual property of our business partners and other companies. During the Reporting Period, the Group was not aware of any instances of non-compliance with laws and regulations in relations to intellectual property that have a significant bearing on the performance of the Group. The related laws and regulations include Patent Law of the People's Republic of China (中華人民共和國專利法) and the Trademark Law of the People's Republic of China (中華人民共和國商標法).






Communication with Customers

We strive to provide customers with competitive products and services and ensure that they enjoy the rights they are entitled to by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法) and other applicable laws and regulations. We stress the importance of clients' needs and regularly collect their opinions on the foundation of future improvement.

Privacy Policy

We hardly gain access to our customers' personal information or confidential data of enterprises during daily operations. Nevertheless, we stress the high importance of customers' privacy. All personal data the Group collected, such as employee information and personal data of property buyers, will be kept strictly confidential. Personal data of our customers and staff will not be used for marketing purposes if without authorisation. Any illegal acts of unauthorised use and revealing of personal information are prohibited. We ensure that we comply with the Personal Data (Privacy) Ordinance.

Advertising and Labelling

The Group engages no large-scale advertisement for our products and services. However, we still produce advertising materials or carry out different promotional campaigns based on the nature of products and services of specific business operations to entice customers. These promotional materials and campaigns comply with the Advertisement Law of the People's Republic of China (中華人民共和國廣告法), the Interim Measures for the Administration of Internet Advertisement (互聯網廣告管理暫行辦法), Food & Drugs (Composition & Labelling) Regulations (食物及藥物(成分組合及標籤)規例), Trade Marks Ordinance (商標條例), Trade Descriptions Ordinance (商品說明條例) and other applicable laws and regulations concerning advertising and labelling, contain no exaggeration or untruth, to ensure that consumers are provided with sufficient information to make informed choices.

During the Reporting Period, the Group has complied with all relevant laws and regulations that significantly impact the Group relating to health and safety, advertising, labelling, and privacy matters.

Anti-Corruption

An operating environment with honesty and integrity is vital to a company's long-term development and business reputation. All employees of the Group shall strictly adhere to the staff code and are prohibited from abusing their power for personal gains, receiving rebates without authorisation, corruption, embezzling funds, taking bribes, and other illegal acts. We will seek legal recourse according to the national laws and regulations if any unlawful acts are found. We strive to eliminate the undesirable trend of corruption and bribery and protect our reputation.

To ensure sound corporate governance, we have set up an audit committee and hired external legal advisors and auditors to review our financial reports and statutory disclosures and offer their views. We also provide information and training on corporate governance to our directors and staff.

During the Reporting Period, the Group complied with the Prevention of Bribery Ordinance (防止賄賂條例), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (打擊洗錢及恐怖分子資金籌集條例), the Criminal Law of the People's Republic of China (中華人民共和國刑法) and the Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法), and other applicable anti-corruption laws and regulations. The Group had not identified any corruption or fraud incidents, nor any concluded or ongoing legal cases brought against the Group concerning corruption. The Group will periodically review the implementation of respective systems and devote more resources to improving the mechanism if necessary.

Whistle-Blowing Policy

We encourage our employees to anonymously report any inappropriate behaviour and take all possible measures to protect the identity of the informers. We will carry out internal investigations on the allegations, furnish the results to management for subsequent actions, and cooperate with law enforcement bodies.

Anti-corruption Training

We also actively provide training to the Board and staff on anti-corruption, bribery and anti-fraud systems to enhance anti-corruption awareness in our daily work and operations, thereby ensuring compliance and preventing corruption.

Community

Community Investment

Since its establishment, the Group has upheld the principle of “taking from society and giving back to society” and has always attached great importance to fulfilling corporate social responsibility. Whether in Hong Kong or mainland China, the Group has always regarded community investment as an important mission, giving back to society through concrete actions.

In Hong Kong, the Group generously donated 100,000 boxes of ginger tea (worth over HKD 300,000) to the elderly in nursing homes. This act of kindness was meaningful not only because the product can promote blood circulation and keep the body warm, which is good for health, but also because it conveyed care and warmth to the recipients.



The Group generously donated 100,000 boxes of ginger tea to the elderly in the nursing home



The Group's Pak Lok Bakery together with a rice noodle restaurant sponsored an event for the elderly

In addition, Pak Lok Bakery of our Group, together with a rice noodle restaurant, also sponsored a senior activity, allowing a group of elders from The Chinese Rhenish Church Hong Kong Synod and The Evangelical Lutheran Church of Hong Kong to go out, integrate into society, and spend a lively and enjoyable afternoon.

In mainland China, the Group's real estate development company in Shenzhen donated RMB100,000 to support the inaugural "Luohu-Shenzhen Hong Kong Cultural Month" event. The purpose of this event was not only to promote local economic development, but also to further enhance cooperation and exchange between Shenzhen and Hong Kong, so that both places can achieve a win-win situation.



In addition, the Group chose the special day of Mid-Autumn Festival to send warmth. Last year, the Group generously donated mooncakes to multiple institutions, including the Shenzhen Social Welfare Center and the Luohu District Civil Affairs Bureau. Apart from contributing money, the Group also devoted manpower, holding a ceremony for condolences and donations, led by the Group's Directors and senior management who brought sincere holiday greetings and blessings with a group of enthusiastic employees. What was even more heartwarming was that in the days leading up to Mid-Autumn Festival, the charitable actions were not limited to institutional donations, but also reached out to centers for people with special needs, delivering gift packs of love and care so that more people could feel the holiday warmth.



In Mid-Autumn Festival, the director and senior management of our Group sent sincere holiday greetings and blessings at the Shenzhen Welfare Centre (donated mooncakes)



The Chinese Manufacturers' Association of Hong Kong ESG Charter Certificate Presentation Ceremony

These community investments and charitable actions demonstrate the Group's mission and values, contributing its strength to the society and leading more people towards the path of community integration. Let us look forward to the continuous development of this love and care, striving for a better society.

INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas	Content	Section in the ESG Report
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise, and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer ‘s businesses.	Governance Structure
Reporting Principles	Describe or explain how the following reporting principles were applied in the preparation of the ESG report: materiality, quantitative, consistency.	Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Period and Scope
A. Environmental		
A1 Emissions		
General Disclosure	Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Environmental Aspect
A1.1	The types of emissions and respective emissions data.	Environmental Aspect – Emissions
A1.2	Total greenhouse gas emissions and intensity.	Environmental Aspect – Emissions

Subject Areas	Content	Section in the ESG Report
A1.3	Total hazardous waste produced and intensity.	Environmental Aspect – Emissions
A1.4	Total non-hazardous waste produced and intensity.	Environmental Aspect – Emissions
A1.5	Description of emissions target(s) set, and steps taken to achieve them.	Environmental Aspect – Emissions
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them.	Environmental Aspect – Emissions
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Environmental Aspect – Use of Resources
A2.1	Direct and/or indirect energy consumption by type and intensity.	Environmental Aspect – Use of Resources
A2.2	Water consumption in total and intensity.	Environmental Aspect – Use of Resources
A2.3	Description of energy use efficiency targets(s) set, and steps taken to achieve them.	Environmental Aspect – Use of Resources
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them.	Environmental Aspect – Use of Resources
A2.5	Total packaging material used for finished products.	Environmental Aspect – Use of Resources
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Aspect – Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Aspect – Environment and Natural Resources
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Aspect – Combating Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Aspect – Combating Climate Change

Subject Areas	Content	Section in the ESG Report
B. Social		
Employment and Labour Practices		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices – Employment
B2 Health and Safety		
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employment and Labour Practices – Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employment and Labour Practices – Health and Safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment and Labour Practices – Development and Training
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to preventing child and forced labour.	Employment and Labour Practices – Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Practices – Labour Standards
B4.2	Description of steps taken to eliminate non-compliance upon discovery.	Employment and Labour Practices – Labour Standards

Subject Areas	Content	Section in the ESG Report
Operating Practices		
B5 Supply Chain Management		
General Disclosure	Policies on managing environment and social risks of the supply chain.	Operating Practices – Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operating Practices – Supply Chain Management
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operating Practices – Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
B6.2	Number of product and service related complaints received and how they are dealt with.	No significant complaints received
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Practices – Product Responsibility
B6.4	Description of quality assurance process and recall procedures.	Operating Practices – Product Responsibility
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operating Practices – Product Responsibility

Subject Areas	Content	Section in the ESG Report
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to bribery, extortion, fraud, and money laundering.	Operating Practices – Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operating Practices – Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Operating Practices – Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Operating Practices – Anti-corruption
Community		
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration of the communities' interests.	Community – Community Investment
B8.1	Focus areas of contribution.	Community – Community Investment
B8.2	Resources used on the focus area.	Community – Community Investment